

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
November 19, 2020

MEMBERS PRESENT:

Mr. Billy Cotter (Chairman)
Ms. Patrice McClammy (Vice-Chairman)
Mr. Richard D. Pettey
Mr. Drew Watson
Mr. Robert Butler
Mr. Mark Haller
Mr. Roger Ball
Mr. Chad Anderson
Mr. Lew Watson

MEMBERS ABSENT:

None

OTHERS PRESENT:

Mrs. Lisa Brooks, Executive Director
Ms. Neva Conway, Legal Counsel
Mrs. Carolyn Greene, Executive Secretary
Mrs. Margaret Anne Davis

GUESTS PRESENT:

Mr. Gary Wheat, Tuscaloosa, AL
Ms. Katie Richard, Alabama Realtors Association
Ms. Melissa Bond, Certified Residential Appraiser/Instructor, Kiln, MS

- 1.0 Mr. Billy Cotter, Chairman, called the meeting to order at 9:03 a.m. Mrs. Carolyn Greene, Executive Secretary, recorded the minutes. The meeting was held via teleconference. Prior notice of the meeting was posted on the Secretary of State's website on December 31, 2019 in accordance with the Alabama Open Meetings Act. The meeting was updated on the Secretary of State's website on November 10, 2020 as a virtual meeting and the meeting access information was posted for the public.
- 2.0 The meeting was opened with prayer and the Pledge of Allegiance, led by Mr. Butler.

- 3.0 Mr. Cotter asked Mrs. Greene to call a voice roll to establish a quorum. Members present were Mr. Billy Cotter, Mr. Richard D. Pettey, Mr. Roger Ball, Mr. Mark Haller, Mr. Chad Anderson, Mr. Robert Butler, Mr. Lew Watson, Mr. Drew Watson and Ms. Patrice McClammy.
- 4.0 On motion by Mr. Lew Watson and second by Mr. Ball, the regular minutes for September 17, 2020 were approved as written. Motion carried by unanimous vote.
- 5.0 Ms. Conway stated that there was nothing new to report on the Federal Trade Commission VS Louisiana Real Estate Appraisers Board or on the Dental Board VS Smile Direct Club. Ms. Conway also reported that there is nothing pending for Alabama.
- 6.0 Ms. Conway discussed the Final Adoption of Administrative Rules 780-X-4-.02, Application and License Fees; and 780-X-17-.05 – Expired Registration. On motion by Mr. Lew Watson and second by Mr. Ball, the Board voted to adopt the rules, and instructed Ms. Conway to file the rules for Final Adoption. Motion carried by unanimous vote.
- 7.0 On motion by Mr. Ball and second by Ms. McClammy, the following applications were voted on as listed. Motion carried by unanimous vote.
- 7.1 **Trainee Real Property Appraiser applications approved:** Thomas Daniel Barrett, William Matthew Brasher, James T. Higginbotham, James Evans Jay, Derek Ryan Munro, Heidi Pruitt Newton, James Jared Pennington and Evan Michael Sartin. **Applications deferred:** None. **Applications denied:** None.
- Trainee Real Property Appraiser Experience Logs for Review:** **Logs approved:** Chad Merschman. **Logs deferred:** Jamie Hicks, Chelsea Sellers, Branton Still and Daniel Whitten. **Logs denied:** None.
- 7.2 **State Registered Real Property Appraiser applications approved:** None. **Applications deferred:** Maurice Lyon Courtney. **Applications denied:** None.
- 7.3 **Licensed Real Property Appraiser application approved:** None. **Applications deferred:** None. **Applications denied:** None.
- 7.4 **Certified Residential Real Property Appraiser applications approved:** David Justin Adcock (Recip)(MS), Charles Robert Davis, James Michael Hand (Recip)(KS) and Drew Walter Vandermay (Recip)(FL). **Applications deferred:** None. **Applications denied:** None.

7.5 **Certified General Real Property Appraiser applications approved:** Michael Vernon Cline (Recip)(TX), Mary Catherine Dalton (Recip)(TN), Lauren Patricia Hock (Recip)(CO), Heather Gravelle Klaiber (Recip)(GA), Bryan Jonathon Lockard (Recip)(FL), P. Ryan McDonald (Recip)(MO), Robert Lee Ryan (Recip)(GA), Stewart Shaw Stafford (Recip)(MS) and Morgan Williams (Recip)(FL). **Application deferred:** None. **Applications denied:** None.

7.6 **Mentor application approved:** Larry Dunn and Gary Pruitt. **Applications deferred:** Beth Hoffman. **Applications denied:** None.

Mr. Lew Watson discussed the poor-quality appraisals he is seeing when he is reviewing experience. The Board discussed where the problems are coming from and what can be done to improve them. Mr. Drew Watson suggested a milestone skill-set progression for Trainee appraisers. Mr. Anderson asked if there had ever been discussion regarding reevaluating mentors.

Ms. Melissa Bond addressed the Board about developing specific podcasts or newsletters on specific subjects periodically to be hosted by the Board. Mr. Cotter and Mrs. Brooks asked Ms. Bond to submit information to Mrs. Brooks for her to bring to the Board in January.

8.0 Mr. Pettey presented the Fiscal Year 2022 Budget Request and the Finance report for October 2020-2021. Mr. Pettey stated that the Board was 8% into Fiscal Year 2021 and 10% into budget expenditures. Mr. Pettey stated that there were no negative trends that could not be reconciled at this time.

On motion by Mr. Pettey and second by Mr. Lew Watson, the Board voted to approve the Finance Report and Budget Request. Motion carried by unanimous vote.

Mrs. Brooks discussed expenditures that need to be made including the development and purchase of a new database. She will begin researching the database options and report back to the Board at the March 2021 Board meeting regarding the database, etc.

9.0 On motion by Mr. Anderson and second by Mr. Haller, the following education courses and instructor recommendations were approved, deferred, or denied as indicated. Motion carried by unanimous vote.

AMERICAN CONTINUING EDUCATION INSTITUTE

Renewal Application:

(CE) 2020-2021 7-Hour National USPAP Update Equivalent Course – 7 Hours – Online

Both Course and Instructor Approved

APPRAISAL INSTITUTE – CHICAGO

New Applications:

- (CE) Appraising Condominiums, Co-Ops and PUDs – 7 Hours – Classroom
(Instructor: Maureen Sweeney)
Both Course and Instructor Approved
- (CE) Supervisory Trainee Appraiser Trainee Synchronous – 4 Hours – Online
(Instructor: Sandra Adomatis)
Both Course and Instructor Approved
- (CE) Rapid Response: Market Analysis in Volatile Markets – 7 Hours – Classroom
(Instructor: Mark Ratterman)
Both Course and Instructor Approved
- (CE) Online Appraising Condominiums, Co-Ops and PUDs – 7 Hours – Online
(Instructor: Maureen Sweeney)
Both Course and Instructor Approved
- (LIC) Basic Appraisal Procedures Synchronous – 30 Hours – Online
(Instructors: Thomas Kirby and Craig Harrington)
Both Course and Instructors Approved
- (CE) Business Practices and Ethics Synchronous – 6 Hours - Online
(Instructor: Richard L. Borges)
Both Course and Instructor Approved

MCKISSOCK

New Applications:

- (CE) Introduction to Commercial Appraisal Review – 7 Hours - Online
(Instructor: Paul Lorenzen)
Both Course and Instructor Approved
- (CE) Appraisal of Industrial and Flex Buildings – 7 Hours - Online
(Instructor: Jo Traut)
Both Course and Instructor Approved
- (CE) Introduction to Expert Witness Testimony for Appraisers – 4 Hours - Online
(Instructor: Paul Lorenzen)
Both Course and Instructor Approved

MELISSA BOND QUALITY EDUCATION

New Applications:

- (CE) HUD Handbook Review – 4 Hours – Classroom
(Instructor: Melissa Bond)
Both Course and Instructor Approved
- (CE) Bifurcated, Hybrids, Evaluations – 4 Hours – Classroom
(Instructor: Melissa Bond)
Both Course and Instructor Approved
- (CE) ANSI – What's It All About – 4 Hours – Classroom
(Instructor: Melissa Bond)
Both Course and Instructor Approved

OREP Education Network

Renewal Applications:

- (CE) How to Support and Prove Your Adjustments – 7 Hours – Online
(Instructor: Richard Hagar)
Both Course and Instructor Approved
- (CE) Appraisal Adjustments II: Solving Complex Problems – 7 Hours – Online
(Instructor: Richard Hagar)
Both Course and Instructor Approved
- (CE) Identifying and Correcting Appraisal Failures – 7 Hours – Online
(Instructor: Richard Hagar)
Both Course and Instructor Approved
- (CE) FHA Appraisal Standards – 7 Hours – Online
(Instructor: Lora DeAstra)
Both Course and Instructor Approved

THE COLUMBIA INSTITUTE

Renewal Applications:

- (CE) Commercial Cost Approach Certification – 14 Hours – Classroom
(Instructors: Al Negron, Kevin Hecht, Pam Teel and Diana Jacob)
Both Course and Instructors Approved
- (CE) Challenging Assignments for Residential Appraisers – 7 Hours – Online
(Instructor: Heather Sullivan)
Both Course and Instructor Approved

New Applications:

- (CE) Appraising Pre-Foreclosures, Short Sales & REO's – 4 Hours – Online
(Instructors: Heather Sullivan, Kevin Hecht, Pam Teel and Diana Jacob)
Both Course and Instructors Approved
- (CE) Dirty Digs: Brownfields and Superfund Sites – 5 Hours – Online
(Instructors: Heather Sullivan, Kevin Hecht, Pam Teel and Diana Jacob)
Both Course and Instructors Approved
- (CE) Fundamental of Appraising New Homes – 5 Hours – Online
(Instructors: Heather Sullivan, Kevin Hecht, Pam Teel and Diana Jacob)
Both Course and Instructors Approved
- (CE) ADU: Regulatory Changes & Valuation Challenges – 3 Hours – Online
(Instructors: Heather Sullivan, Kevin Hecht, Pam Teel and Diana Jacob)
Both Course and Instructors Approved
- (CE) Calculating & Supporting Adjustments – 4 Hours – Online
(Instructors: Heather Sullivan, Kevin Hecht, Pam Teel and Diana Jacob)
Both Course and Instructors Approved
- (CE) Investigate Your Appraisal: Report and Support – 4 Hours – Online
(Instructors: Heather Sullivan, Kevin Hecht, Pam Teel and Diana Jacob)
Both Course and Instructors Approved

Mrs. Brooks discussed the Board sponsoring a USPAP Update course for all Alabama resident licensees. Mr. Ball voiced his concerns regarding the Board getting into the education business and said that he would be happy to do some additional research before the next meeting. Mr. Pettey asked Ms. Conway if she had been able to follow up with the Wyoming Board. Ms. Conway stated that they have provided a 7 Hour USPAP every two years to all of their licensees in a classroom setting. They partner with the Appraisal Institute and do some presentations for a day or two. The Board contracts with a USPAP instructor and pays for the meeting site for two days of a 7 Hour USPAP course and does one day with a USPAP instructor who is a commercial appraiser so that the focus of USPAP is primarily commercial type work and one day with a USPAP instructor who is a residential appraiser so that the focus, comments, examples, etc. is primarily residential. They collect, from their

licensees, specifically a \$20 education fee every year or two years, so they have ear-marked funds that they use. Mr. Ball will report back at the January meeting. Discussion deferred until the January 2021 Board meeting.

- 10.0 **AB 19-03** On September 17, 2020 the Board approved a Consent Settlement Order with a Certified Residential appraiser where the Board assessed a \$750 fine and issued a private reprimand. The violations in the report were as follows: Licensee made several adjustments to the comparable sales used in the Sales Comparison Approach to value without market support or explanation in the report or work file. This makes the sales comparison approach non-credible due to lack of support.

This indicates that the licensee did not correctly employ the sales comparison approach to value to produce a credible appraisal. Licensee did not properly research and analyze the data to make credibly market adjustments to the comparable sales utilized in the sales comparison approaches to value in the appraisal. The licensee did not do an analyzes of the subjects highest and best use. The licensee only checked a box stating that the subjects highest and best use was its current use. An appraiser must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraisers highest and best use conclusion. Under Site value the licensee states the site value was “developed through the use of land sales” but gives no data or analyzes to support this value. Licensee’s reporting of data and opinions and conclusions that were not supported by relevant evidence or logic make this report misleading. Licensee’s report failed to have sufficient information to support by relevant evidence and logic the licensee’s opinions and conclusions and therefore the intended users could not properly understand the report properly. Standards Rule 1-1(a), Standards Rule 1-4(a), Standard Rule 1-3(b), Standards Rule 1-4(b)(i), Standards Rule 2-1(a), Standards Rule 2-1(b), **USPAP 2018-2019 Edition**.

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board that 4 new Appraiser complaints and no new Appraisal Management Company (AMC) complaints were received since the September 2020 Board meeting, 7 complaints were dismissed, and 1 complaint was settled, leaving a total of 47 open complaints.

- 11.0 The Board reviewed Probable Cause Report **AB-18-14**: On motion by Mr. Drew Watson and second Mr. Ball, the Board voted that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-19-15**: With Mr. Lew Watson, and Mr. Anderson recusing, on motion by Mr. Ball and second Ms. McClammy, the Board voted that probable cause does exist and to set this case for a hearing. Motion carried by unanimous vote.

AB-19-16 and **AB-19-17** were carried over to the January 2021 Board meeting.

The Board reviewed Probable Cause Report **AB-19-20**: With Mr. Lew Watson and Mr. Anderson recusing, on motion by Mr. Haller and second by Mr. Ball, the Board voted that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-06**: With Mr. Lew Watson recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-08**: With Mr. Anderson recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-11**: With Mr. Anderson recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-16**: With Mr. Haller recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-17**: With Mr. Haller recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-19**: With Mr. Ball recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-26**: With Mr. Haller recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-28**: With Mr. Haller recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-20-29**: With Mr. Ball recusing, on motion by Mr. Drew Watson and second by Ms. McClammy, the Board voted that probable cause does not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

- 12.0 There were no Negotiated Settlements to review at this time.
- 13.0 The following reciprocal license was issued since the September Board meeting: David Justin Adcock ('R' MS), Michael Vernon Cline ('G' TX), Mary Katherine A. Dalton ('G' TN), James Michael Hand ('R' KS), Lauren Patricia Hock ('G' CO), Heather Gravelle Klaiber ('G' GA), Bryan Jonathan Lockard ('G' FL), P. Ryan McDonald ('G' MO), Robert Lee Ryan ('G' GA), Stewart Shaw Stafford ('G' MS), Drew Walter Vandermay ('R' FL) and Morgan Williams ('G' FL).
- 14.0 The Temporary Permit report was provided to the Board for their information.
- 15.0 There was no Appraisal Management report provided to the Board for their information at this time.
- 16.0 Mrs. Brooks introduced Mr. Gary Wheat and explained that Mr. Wheat's request for a license reinstatement was presented to the Board at the September Board meeting. Mr. Wheat was sent a letter explaining that the Board does not have the authority to grant his request due to AQB requirements. Because of the time that Mr. Wheat's license has been closed, he no longer meets the current education and experience criteria and would be required to apply for a Trainee license. Mr. Wheat addressed the Board today regarding his situation and options to regain his license. Mrs. Brooks explained that although she would like to be able to help, Mr. Watson addressed the issue and implored the Board to start thinking about how they can line up state laws with the appraisal business. Mr. Cotter also told Mr. Wheat that he wished the Board could assist him.

Mrs. Brooks discussed a request from Mr. Arlin Coleman for a waiver of the renewal late fee due to his COVID-19 diagnosis. On motion by Mr. Lew Watson and second by Mr. Anderson, the Board voted to deny Mr. Coleman's request because he had had from August 1st, 2020 to renew his license before becoming ill in late September and that the late fee was not charged until October 31st. Ms. McClammy opposed the motion. Motion carried.

Mrs. Brooks discussed a request from Mr. Nicholas Barwig for a waiver of the renewal late fee due to flooding in his house. On motion by Mr. Ball and second by Mr. Lew Watson, the Board voted to deny Mr. Barwig's request because he should have been able to continue working during the renewal period and he had until October 31st before he was charged a late fee. Motion carried by unanimous vote.

Mrs. Brooks discussed a request from Mr. Sonny Scofield for an extension to renew his license for 2019-2020 and 2020-2021 due to illness. Mr. Schofield called Mrs. Brooks two days before his license was set to close due to two non-renewals. Mrs. Brooks asked Mr. Schofield to go ahead and take his education for 2019-2020 since he had not taken it yet, and to submit his request in writing as soon as possible so that she could take his information to the Board. Mrs. Brooks did not receive a request in writing until November 15th and Mr. Schofield has not completed his continuing education to date. On motion by Mr. Lew Watson and second by Mr. Drew Watson, the Board voted to deny Mr. Schofield's request. Motion carried by unanimous vote.

Mrs. Brooks presented an email from Mr. Scott Dudley regarding appraisers not using the cost approach on new construction. After much discussion, Mr. Drew Watson and Ms. Melissa Bond will discuss disseminating a Podcast with this information on the Board's behalf. Mrs. Brooks asked Mr. Watson and Ms. Bond to keep her informed.

Mrs. Brooks included the Renewal report for Board information.

Mrs. Brooks included a news release from the Appraisal Foundation announcing that the Appraiser Qualifications Board had adopted Practical Applications of Real Estate Appraisal (PAREA), a new pathway for aspiring appraisers.

Mrs. Brooks included the Association of Appraiser Regulatory Officials Quarterly Update for Board information.

Mrs. Brooks asked the Board to remember Ms. Tiffany Baker in the passing of her mother, Patricia Ward, and Mr. Sam Davis' wife, Pam, who had been hospitalized.

Mrs. Brooks informed the Board members that the new website had been launched and encouraged them to visit it. The new website address is www.reab.alabama.gov.

Mrs. Brooks discussed the importance of hiring a second investigator as soon as possible.

17.0

Ms. Conway updated the Board on the email from Mr. David Cummings discussed at the September Board meeting. The email regarded an appraisal assignment on what the client calls a master plan for a proposed home located within a new development where the client has asked him to revise his legal description on page 1 of the URAR to read 'A typical lot such as lot 86 Ivy Hills Phase 3' rather than using a specific address on an assigned lot within the new development. Mr. Davis had told the Board at the September meeting that he had spoken with the Texas and North Carolina boards and that they both allowed this. Ms.

Conway stated that she had spoken with the lawyer from Texas who said he did not believe it complied with USPAP, but that if they did receive a complaint on an appraisal, and if they disciplined, the Texas Board would consider it a minor infraction for disciplinary purposes. Ms. Conway also stated that she had spoken with Mr. Tom Lewis, Head of Investigations and Deputy Director in North Carolina. Mr. Lewis believed that the master appraisal would be ok, however there would be many considerations that an appraiser would have to cover in order to do that appraisal, but with the flexibilities in USPAP in all likely it could be done.

Ms. Conway updated the Board on the email discussed at the September Board meeting from Ms. Judith Haney asking if a “supplemental value form” being used by Appraisal Nation to provide an “as repaired” value to lenders inside of a 1004 “as is” valuation violate USPAP. Ms. Conway communicated with Ms. Haney that the Board did not find that this would be misleading to a client, especially the one who requested the information, and offered her resource materials, primarily Advisory Opinions, Q & A’s and USPAP Sections.

18.0 Mr. Drew Watson asked if the Board has a standard expectation for the milestones and time required during licensure as a primary role of the Board to license appraisers in the state. Ms. Conway explained that there is a statute that requires communication between the Board and the applicant within a certain amount of time. Mr. Drew Watson would like the Board to work with staff to develop a checklist for a timeline for applications that would include various milestones, how long it should take upon initial submittal of the application, etc. Mrs. Brooks suggested that she, Mrs. Greene and Mr. Drew Watson meet to discuss this.

19.0 At 11:32 a.m., on motion by Mr. Drew Watson and second by Mr. Butler, the Board voted to adjourn the regular Board meeting. Motion carried by unanimous vote. The Board’s tentative meeting schedule for 2021 is January 21st, March 18th, May 20th, July 15th, September 16th, and November 18th, held either via WebEx or in the RSA Union 3rd Floor Conference Room, 100 Union Street, Montgomery, AL 36104.

Sincerely,

Carolyn Greene
Executive Secretary
/cg

APPROVED: _____
Billy Cotter, Chairman